

### **REMARKS/ARGUMENTS**

In the office Action being responded to all of the claims then pending in the application, claims 1-27 and 29-34 were rejected, 35 USC 102(e), as anticipated by Kuroda et al patent 6,421,779. In response thereto applicant has cancelled all of these claims and is presenting in their stead new method claims 35-38 and new apparatus claims 39-41 more precisely reciting applicant's invention.

Applicant's invention is directed to a different problem than the Kuroda et al patent and his inventive solution is patentably distinct from the disclosure and teaching of that patent. Kuroda et al are concerned with data storage and specifically protecting the stored data from improper and unauthorized changes. Applicant's invention, on the other hand, is concerned with electronic transactions comprising the purchasing of a device or services from a vendor, such as by using a credit card, and verifying the security of that electronic transaction.

The Examiner, in rejecting the prior claims, has pointed out that the storage operations in Kuroda et al can be performed on-line, but that is not the distinction between applicant's invention and the Kuroda et al reference. Merely performing electronic data transactions with respect to the storage of data is not the same as nor suggestive of the verification of electronic purchase transactions involving a purchaser, who desires to purchase a product or a service, a vendor, who is selling or providing the product or service, and a verifier independent of the purchaser and the vendor and who serves to verify the security of the electronic transaction between the purchaser and the vendor.

As now more clearly recited in new claim 35, applicant's method involves a user obtaining from vendor transaction information identifying the purchased item or service which transaction information, as recited in dependent claim 36, may include the purchase amount and to which, as recited in dependent claim 38, a counter value may be added. The user or purchaser then electronically performs a message authentication code function to obtain secure information identifying both the transaction and the user and utilizing a secret key, which as recited in dependent claim 37 may include at least a part of a credit card number; the secure information is provided to the vendor. The vendor then transmits this secure information and the user identification information together with the transaction information to a verifier which, using the user's secret key, replicates the message authentication code function to determine whether the result thereof is the same as the secure information transmitted to it by the vendor to verify the security of the electronic purchase of a product or a service.

Applicant respectfully disagrees with the Examiner's discussion with respect to the step of applicant's invention, now recited in dependent claim 38, of adding a counter value to the transaction information. As described at page 9, paragraph 0030, the unique counter value is an additional part of the transaction information that is hashed by the message authentication code function. "By adding a unique counter value, multiple purchases of the same item, from the same merchant, on the same day, may be separately validated." The paragraph referenced by the Examiner, at column 2, lines 46-54 of the Kuroda et patent, merely describes adding to authentication information the electronic data from the data storage device and, applicant submits, has no relevance to applicant's step of adding a counter value to the transaction information prior to the message authentication code function, as recited in claim 38.

One of the unique objects of applicant's invention, as stated at page 2, paragraph 0005, is to provide for secure electronic purchase transactions between a vendor and a purchaser without requiring the vendor to perform a different handling method or obtain additional equipment, beyond what the vendor already utilizes for credit card transactions. Applicant does not find this object discussed or this result attained by Kuroda et al and specifically disagrees with the Examiner's statement that "it is inherent to know that the MAC of Kuroda can be used as a credit card." There is nothing in the Kuroda et al description of their data storage apparatus that in any way suggests applicant's invention wherein a vendor can use the credit card procedures previously used for non-secure purchase transactions for secure purchase transactions in accordance with applicant's invention.

Applicant's multistep process involving the purchaser, the vendor, and the verifier is clearly not disclosed or suggested by the Kuroda et al reference cited by the Examiner.


New apparatus claims 39-41 similarly are patentably distinguished from the Kuroda et al reference.

Favorable consideration and allowance of new claims 35-41 are therefore respectfully requested.

It is believed that this application is now in condition to be passed to issue, and such action is also respectfully requested. However, if the Examiner deems it would in any way expedite the prosecution of this application, he is invited to telephone applicant's attorney at the number set forth below.

Respectfully submitted,

Telcordia Technologies, Inc.

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